

August 28, 2008

Candace Carlson
Contract Administrator
King Street Center, KSC-TR-0415
201 South Jackson Street
Seattle WA, 98104-3856



ERG

TRANSIT SYSTEMS

RE: Return of Change Order No. 29 - Cardholder Website Training

Dear Candace,

Since the Agencies have chosen to remove compensation for all administrative hours for the performance of the work in Change Orders No. 29 – Cardholder Website Training, ERG is not equitably compensated for the work or the schedule impacts of performing this work. The work under this Change Order was not anticipated in the Contract or in the pricing of the Contract. It is new work that has increased ERG's cost of performance. As such, an equitable adjustment to the Contract price is required to be made per Contract Section 3.I-31.2.

ERG has already complied with the contract requirements to protest the Agencies' dismissal of administrative costs for new work. Despite the decision of the Dispute Review Board, which is not binding on either party (RFCS Contract, 3.I-34.7), being compensated for all work performed is critical to ERG and it will pursue all available options to defend and protect its right to be fully paid for the work it performs. Furthermore, ERG retains all rights to pursue all remedies available under the law.

ERG returns these Change Orders unsigned and in protest. This work has been sent to ERG under directive Change Orders and, therefore, ERG will proceed with the work as directed. However, this letter and commitment to perform the work in no way sets a precedent or bind ERG to perform any work in the future.

If you have any questions, please contact me at (925) 686-8210.

Sincerely yours,

John Winyard
Project Director

(Per ILA Approval Requirements)

☒ **CA Approval**

☐ **JB Approval**

REGIONAL FARE COORDINATION SYSTEM

CHANGE ORDER NO. 29

CONTRACTOR: ERG Transit Systems (USA) Inc.
CONTRACT NUMBER: 229944

This Change Order to Contract #229944 ("Change Order") is executed as of 1/4/08 by and between ERG Transit Systems (USA) Inc, a California corporation and wholly owned subsidiary of ERG Limited, an Australian corporation, (hereinafter referred to as the "Contractor") and each of the following seven public transportation agencies (hereinafter referred to individually as an "Agency" or collectively as the "Agencies"):

1. Central Puget Sound Regional Transit Authority ("Sound Transit")
2. King County ("King County")
3. Kitsap County Public Transportation Benefit Area ("Kitsap Transit")
4. Pierce County Public Transportation Benefit Area ("Pierce Transit")
5. Snohomish County Public Transportation Benefit Area ("Community Transit")
6. City of Everett ("Everett")
7. State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division ("WSF")

Background

- A. Effective April 29, 2003, each of the Agencies and the Contractor entered into Contract #229944 ("Contract") to implement a Regional Fare Coordination System ("RFC System") to establish a common fare system utilizing smart card technology. The Contractor is responsible for the development, implementation, operation and maintenance of the RFC System as specified in the Contract.
- B. The Agencies and the Contractor desire to execute this Change Order No. 29 and the attached Amendment 25 to provide for the addition of Cardholder Website content to the Call Center and Walk-in Center training materials and sessions and to update the "Special Programs" Section of the Exhibit 9, Price Schedule.

Agreements

The Agencies and the Contractor hereby agree to the following changes to the Contract:

1.0 Compensation Changes

This Change Order shall give rise to no additional compensation except for the \$3675 amount specified in Amendment No. 25 which is attached hereto as "CO 29 Attachment A" and which the Parties agree, without further execution, hereby amends Exhibit 9 to the Contract, entitled "Price Schedule," by adding the price as noted to the Special Programs Section in Section VI, Implementation.

2.0 System Documentation Modifications

The Contractor shall provide the Agencies with revised manuals, materials and other system documentation as needed to reflect the changes arising from this change order.

3.0 Division II Changes

Contract Section 6.II-12.2.5 "Customer Service and Marketing Course" is amended as described below:

12.2.5 Customer Service and Marketing Course

The Contractor shall develop and deliver a course to train Agency and Contractor personnel in the procedures for customer service and ongoing marketing activities. Among other topics, this course shall address Customer Service "counter training" for personnel interacting directly with the public. The Call Center and Walk-in Center training and materials shall include content on the use of the Cardholder Website.

4.0 Other Terms and Conditions

Except as expressly amended by this Change Order, the Contract remains in full force and effect. All other provisions of the Contract not referenced in this Change Order No. 29 shall remain in effect unless modified in other executed Amendments and Change Orders.

IN WITNESS WHEREOF, the parties hereto have executed this Change Order No. 29 to Contract #229944 as of the date set forth below its signature.

 **ERG Transit Systems (USA) Inc.**

By: _____

Its: _____

Date: _____

The Agencies

By: Candace Carlson

Its: Contract Administrator

Date: 1/4/08

Change Order No. 29 - Attachment A

Amendment 25 to the Contract for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System

This Amendment 25 to the Contract for the Design, Implementation, Operation and Maintenance of the Regional Fare Coordination System is entered into this ____ day of _____, 2008, by and between ERG Transit Systems (USA) Inc, a California corporation and wholly owned subsidiary of ERG Limited, an Australian corporation, (hereinafter referred to as the "Contractor") and each of the following seven public transportation agencies (hereinafter referred to individually as an "Agency" or collectively as the "Agencies"):

1. Central Puget Sound Regional Transit Authority ("Sound Transit")
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5. Snohomish County Public Transportation Benefit Area ("Community Transit")
6. City of Everett ("Everett")
7. State of Washington, acting through the Washington State Department of Transportation, Washington State Ferries Division ("WSF")

Recitals

- A. Effective April 29, 2003, each of the Agencies and the Contractor entered into Contract #229944 ("Contract") to implement a Regional Fare Coordination System ("RFC System") to establish a common fare system utilizing smart card technology. The Contractor is responsible for the development, implementation, operation and maintenance of the RFC System as specified in the Contract.
- B. The Agencies and the Contractor desire to amend the Special Programs Section in Section VI, Implementation, of Exhibit 9, Price Schedule, in connection with the Work described in Change Order 29 to which this is attached.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the Parties hereby agree to amend the Contract as follows:

Section 1.0

The Special Programs Section of Exhibit 9, Price Schedule, is hereby amended to read as follows:

SPECIAL PROGRAMS

LUMP SUM COST

Original Contract

A. PARATRANSIT	\$70,476
B. VANPOOL	\$70,476

Change Order No. 1

A. KCM RCU Conceptual Design (Not to Exceed plus reimbursable travel expenses)	\$26,795
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Change Order No. 11

WSF GAK Implementation	\$241,584
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Change Order No. 15

WSF Gate & POS Simulator	\$24,614
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Change Order No. 16

KT PFTP Implementation	
1. Phase 1 FDR through Beta Test Readiness	\$79,698
2. Phase 2 After Beta Test Readiness	\$46,683
TOTAL IMPLEMENTATION:	\$126,381

Change Order No. 18

KCM DDU Functionality when ARI enters Init Mode	\$10,985
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Change Order No. 19

KCM DDU Auto Logoff and Power Down	\$7,054
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Change Order No. 25

CST Monitors for Beta Test Developmental Units 5 CSTs @ \$800 each	\$4000
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Change Order No. 29

Addition of Cardholder Website content to Call Center & Walk-in Center training courses and materials.	\$3675
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